

Weekly Market Bulletin

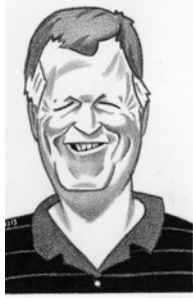
State of New Hampshire
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Vol. 84

Wednesday, December 14, 2005

No. 41



From Your Commissioner...

Oldsters Surpass the Kiddos in Excitement over Toys

Toys are supposed to be for children, but when it comes to farm toys it's apt to be older folks who get way more excited than the kids.

New Hampshire equipment dealers right now are in the midst of the Christmas holiday rush for toy tractors and machinery, although they all say demand for toys has become a year-round phenomenon. And they say that while toys may be meant for youngsters it's become an adult market.

"We have adults that collect practically every toy that comes out," says Alan Johnson of R.N. Johnson Inc., a large John Deere dealership in Walpole. "Toys are a steady all-year business."

At the core of the toy business is Ertl, an Iowa company that manufactures and distributes replica toys licensed by most of the major farm equipment brands. Ertl publishes a catalog and posts its offerings on the internet, but won't sell direct to consumers. Farm equipment dealers are major outlets for Ertl, but its products can be found in many U.S. big-box, department and other retail stores.

So far has the toy tractor business advanced that Deere products now are segmented into three distinct types. There's the "shelf" line, which will likely be what kids will use in the sandbox but which collectors will keep in the display carton, as original packaging is essential for building investment value of the toy.

Then there's the "collector" line, where Ertl brings out just one or two new models a year, and at the elite level is the "precision" line, which has highly detailed specimens of which only two or three models are on the market at any one time and of which only 25 have ever been produced.

Prices can range from \$3 to \$4 for a 'matchbox' sized shelf tractor on up to \$200 for a rare precision-level article. The after-market for toy tractors and machinery is a vast and dynamic one, with shows and auctions throughout the year and thousands of dealers buying and selling everything from individual items to collections composed of hundreds of pieces.

Johnson sells a lot of toys on an interactive website his company maintains, and his toy business has expanded far beyond Ertl offerings to include Deere-licensed clothing and household accessories. John Deere headgear is currently a hot seller, he notes, apparently being a preferred fashion item on many college campuses.

Blackmount Equipment, a Deere dealer in North Haverhill, sells a full line of toys to walk-in and mail order/internet customers and also at the North Haverhill Fair, the Hanover home show and the Barre, VT, winter farm show.

A classic toy has been a cast pedal tractor, says Blackmount's Marie Bigelow. These dependable units stand up to years of abuse, and often pass from one generation to another. Now there are a half-dozen versions of the cast pedal tractor, including one with a bucket loader.

Radio-controlled toy tractors have hit the market this season, joining battery powered kid-sized ATVs and 'Gator' units and tractors fitted in plush for infants.

But it's a toy you can hold in your hand and that looks exactly like the real thing that generates the excitement,

says Bonnie Broyles of James Rosencrantz, a Kingston Deere dealer.

"Whether it's at a fair in the summer or here in the shop at Christmas it's the same. When something new comes along it's the older people that get more excited than the kids," she says.

Having plenty of toys at affordable prices is smart marketing at Townline Equipment in Plainfield, a Case-IH and Kubota dealer.

"We mark toys up only enough to cover our costs. Those kids who are playing with those toys now down the road are going to come back in and buy the big stuff," says owner Bob Marrazzo, who notes that the ID for toy items is the biggest volume part number in his dealership.

Steve Taylor, Commissioner